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Before the
Federal Communications Commission
Washington, D.C. 20036

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Assessment and Collection of)
Regulatory Fees for the 1995)
Fiscal Year)

MD Docket No. 95-3

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COMMENTS OF ALLNET COMMUNICATION SERVICES, INC.

Allnet Communication Services, Inc. (Allnet), herein provides its comments on the Commission's Notice of Proposed Rulemaking in the above-referenced docket, released January 12, 1995 (Fee NPRM). The Fee NPRM requested comments on certain proposals set forth in the docket. In short, the Commission has done an excellent job of assuring that all regulatees pay their fair share of the proposed fees. The Commission has properly included pay telephone providers and resellers, classes of regulatees who extensively benefit from the Commission's regulations.

The Commission's authority to collect the fees set forth in the Fee NPRM was granted with the addition of Section 9 to the Communications Act in the Omnibus Reconciliation Action of 1993 (1993 Budget Act). The 1993 Budget Act set out certain regulatory fees that the Commission could assess on regulatees and stated that these fees could not be changed in the initial collection for Fiscal Year 1994. The Commission, now for its FY 1995, is proposing revisions to the fees and fee structure consistent with Section 9 of the Act.

Allnet is an interexchange carrier who is subject to various classes of proposed regulatory fees. Thus, Allnet is an affected party and has an interest in assuring that the fees which are assessed and collected by the Commission are done so in a manner consistent with the Commission's rules and Congressional

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intent. Allnet has previously provided comments to the Commission in MD Docket No. 93-19 on April 7, 1994 (Allnet Comments) regarding the implementation of Section 9 of the Act for FY 1994 fees.

I. The Commission's Inclusion Of Resellers, And Private Pay Telephone Providers In The DEC Fee Structure Should Be Commended!

In Allnet's Comments in 1994, Allnet, and other commentators suggested that the Commission should expand the payment of agency fees to other entities including private pay telephone providers and resellers. In the current NPRM, the Commission should be commended for properly determining that these regulatees who provide interstate services subject to the Commission's jurisdiction, should also be required to pay regulatory fees. The Commission's proposal now establishes a more even and level "playing field" so that all regulatees are subject to the regulatory fees.

II. The Commission Should Base The Common Carrier Fees On A Per Customer Unit Basis, Not Per Minute Of Use Basis

The Commission proposes to assess carrier regulatory fees based on the number of customer units as of December 31, 1994 which will result in a per customer unit fee of \$0.13. (NPRM at ¶59) In the alternative, the Commission proposes a more burdensome and irrational fee structure based on a rate of \$0.08 per 1000 minutes of use. (NPRM at ¶60) The Commission requests comments on the preferred methodology.

Allnet believes that the Commission should assess the carrier fees based on the number of customer units as detailed in the NPRM. This methodology would

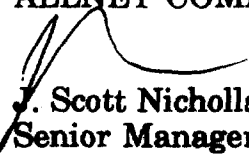
be more equitable, accurate and less volatile to fluctuations in the economy, versus a minute of use (MOU) approach. A MOU approach would be less accurate because it (1) permits the use of estimations (" ... minutes would be estimated as the billed revenue times 10") (NPRM at ¶60); and (2) an "MOU" for one carrier (e.g. access carrier) is not comparable to an MOU of another carrier (e.g., toll carriers). Thus, MOUs are subject to interpretation and auditing difficulties. An MOU approach is arbitrary because it is not clear who pays access charges (i.e., the question of imputation versus payment of access charges) and not all interstate services pay access charges. This would allow many regulatees to evade paying anything at all (e.g., payphone providers). Furthermore, an MOU approach would be less accurate because there often are usage disputes between carriers (for example, disputes arise between an LEC and IXC, between LECs for meet point billing) which may significantly affect what the final "actual" MOUs are for a particular carrier.

In brief, there is little dispute over what a "customer unit" is, versus what a "billed minute" or "access charge minute" of use is, and therefor, the Commission should adopt a per customer unit as the proper basis upon which to determine what the regulatory assessment fees will be for common carriers.

III. Conclusion

The Commission should adopt its proposed fee rules as discussed above.

Respectfully submitted,
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